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## Role of Ethical Marketing and its legal issue across Driving Consumer Brand and brand loyalty: An Approach

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### ABSTRACT:

In the evolving digital world, marketing ethics and law provide complex difficulties at the intersection of business, technology, and human experience. These issues affect human experience by personalizing online interactions. Effective execution improves user experiences, but intrusive approaches may damage confidence. Data privacy and content integrity problems are developing as consumers gain power. Individual and societal privacy problems arise from personal data utilization. Government influence necessitates international coordination of regulations. Navigating this web requires prioritizing ethical behaviors, understanding the relationship between sustainable profitability and trust, and improving innovative legislation while protecting citizen rights. Legal compliance protects data security and promotes socially responsible behaviors via transparent digital communication in corporate social responsibility (CSR). These factors are shaping our digital lives and driving us toward a future where marketing improves lives and civilizations.

### Introduction

In today's fast-paced digital world, businesses face the evolving challenge of balancing ethical marketing practices with legal considerations. Ethical marketing, at its core, prioritizes transparency, honesty, and consumer well-being. It's not just about driving sales but fostering trust and long-term relationships. As consumer awareness grows and the regulatory landscape shifts, brands are under increasing scrutiny to uphold ethical standards in their marketing campaigns, which directly influence consumer perception, brand loyalty, and ultimately, business sustainability [1][2]. This dynamic has created both opportunities and legal challenges that companies must navigate carefully to maintain a competitive edge. Ethical marketing serves as the foundation for building trust between businesses and consumers. In a saturated market where consumers are bombarded with advertisements, messages, and promotions, the brands that stand out are those perceived as authentic and transparent. Ethical marketing practices focus on truthful representation, avoiding manipulation,

and respecting the consumer's autonomy. By adhering to these principles, companies can foster trust, which is crucial for developing a loyal customer base. Trust is essential because modern consumers are more informed and empowered than ever before. With easy access to product information, reviews, and competitor options, they make purchasing decisions based on their perception of a brand's integrity. Companies that consistently deliver honest messages, align with social causes, and treat consumer data responsibly are more likely to retain customers, turn them into advocates, and build enduring loyalty. This loyalty not only translates into repeat business but also generates positive word-of-mouth, a powerful tool in the digital age. However, ethical marketing goes beyond just truth in advertising. It includes a commitment to social responsibility, sustainability, and practices that align with broader societal values. For example, consumers are increasingly drawn to brands that demonstrate genuine concern for environmental and social issues. Companies that align their marketing strategies with these values not only



build trust but also differentiate themselves in a crowded market[3].

The relationship between ethical marketing and brand loyalty is evident in how consumers engage with brands that prioritize integrity and responsibility. When companies uphold ethical standards in their marketing, they create a sense of reliability and trustworthiness, which fosters deeper connections with their audience. This connection is crucial because it transcends mere transactional relationships, cultivating emotional ties that encourage repeat purchases and long-term loyalty. Studies have shown that consumers are more likely to remain loyal to brands that reflect their values and ethical principles. For instance, brands that promote fair trade, environmentally friendly practices, or corporate social responsibility (CSR) initiatives often enjoy higher customer retention rates. Ethical marketing, in this context, becomes a competitive advantage, driving both consumer engagement and brand differentiation. Moreover, consumers are increasingly holding brands accountable for their actions. With social media giving customers a platform to voice their opinions, businesses can no longer afford to be seen as unethical or misleading. One misstep, such as a privacy breach or false claim, can go viral, damaging the brand's reputation and leading to a rapid decline in loyalty. On the other hand, brands that demonstrate ethical leadership by admitting mistakes and taking corrective action can often emerge stronger, reinforcing their commitment to ethical practices[4].

## **Legal Issues in Ethical Marketing: Data Privacy and Consumer Rights**

Marketing has evolved to become more personalized, targeted, and digitalized in the interconnected and data-driven world of today. Nevertheless, these developments also bring substantial legal obligations, particularly in the realms of consumer rights and data privacy. Legal compliance is inextricably linked with ethical marketing, which prioritizes transparency, fairness, and consumer respect. In order to effectively navigate the contemporary marketing landscape, businesses must address the increasing legal concerns regarding the enforcement of consumer rights and the preservation of personal data. This is not only a legal requirement, but also a crucial factor in the preservation of consumer trust, the

cultivation of loyalty, and the preservation of sustainable business practices[5][6]

The management of personal data is the focal point of the legal challenges associated with ethical marketing. Data privacy concerns have emerged as one of the most prevalent legal concerns in the marketing sector as companies increasingly rely on consumer data to develop personalized marketing strategies[1][7]. The General Data Protection Regulation (GDPR) in the European Union and the California Consumer Privacy Act (CCPA) in the United States have been implemented to safeguard the privacy rights of consumers, who are now more cognizant of their rights. These regulations establish stringent guidelines for the collection, storage, use, and sharing of personal data by companies, necessitating that they be transparent about their practices and obtain informed consent from users[8].

The proliferation of data-driven marketing strategies, including predictive analytics and behavioral targeting, has given rise to ethical and legal quandaries regarding the appropriate use of consumer data by businesses. Although personalized marketing can improve the consumer experience by offering pertinent content and promotions, it can also violate privacy if implemented without appropriate protections[9][10]. Businesses are required to adhere to data protection laws and implement practices that prioritize the privacy and autonomy of their consumers in order to participate in ethical marketing. This entails providing consumers with the ability to control their data, ensuring that they are aware of the manner in which it is being used, and enabling them to opt out of data collection if they so desire.

The marketing landscape has been revolutionized by legal frameworks such as GDPR and CCPA, which have shifted the power balance in favor of consumers. These laws provide individuals with the right to access their personal data, request its deletion, and be informed about the processing of their data[11][12]. For instance, businesses are mandated to obtain explicit consent prior to processing personal data and to furnish plain, concise information regarding data utilization under the GDPR. In the same vein, the CCPA grants California residents the right to be informed about the personal information that is being collected about them and to whom it is being sold or disclosed. Noncompliance with these regulations



may lead to substantial reputational harm, legal prosecution, and substantial fines[13].

The legal implications of data privacy for marketers are not limited to compliance; they also influence the consumer-brand relationship. Consumers are informed that their privacy is valued and respected through ethical marketing practices that comply with legal mandates. Conversely, consumer backlash may result from intentional or incidental privacy breaches that undermine consumer confidence[14][15]. For example, the pervasive public concern and eroded consumer confidence that have resulted from high-profile data breaches involving companies like Equifax and Facebook. In order to mitigate these risks, organizations must not only comply with legal regulations but also implement proactive measures to guarantee the security of consumer data. These measures include the implementation of robust encryption, the restriction of data access, and the regular auditing of their privacy practices[16].

In addition to data privacy, ethical marketing must also consider the legal rights of consumers in other areas, including the prevention of deceptive practices, equitable pricing, and truthful advertising. Consumer protection laws are in place to protect individuals from false or misleading claims, thereby preventing businesses from engaging in unethical marketing strategies that misrepresent products or services. For instance, the U.S. Federal Trade Commission (FTC) enforces regulations that require marketing claims to be supported by evidence and prohibit deceptive advertising. Companies are prohibited from exaggerating product benefits, concealing material information, or misleading consumers through ambiguous pricing structures in other jurisdictions, as a result of similar laws[17].

Balancing the obligation to provide forthright and accurate information with the desire for persuasive marketing is one of the primary legal challenges in ethical marketing. Although it is natural for companies to strive to present their products in the most favorable light, ethical marketing necessitates that this be accomplished without violating legal boundaries. For instance, organizations are prohibited from asserting unsubstantiated health claims or suggesting that their products possess specific capabilities that cannot be

scientifically verified. In addition to reputational damage, legal consequences for violating these principles may include injunctions, litigation, and fines[18].

The protection of vulnerable consumers, including children, the elderly, and those with a limited understanding of digital platforms, is another critical legal matter. In recognition of the potential for exploitation, numerous countries have specific regulations that limit the manner in which companies can market to these groups. Businesses are required to adhere to these regulations in order to engage in ethical marketing. Additionally, they must consider the broader social responsibility of safeguarding vulnerable groups from manipulative practices. In the digital era, where information is disseminated swiftly across borders, ethical marketing legal concerns also assume a global scope. International enterprises are obliged to negotiate an intricate network of consumer protection and data privacy regulations that fluctuate by region. For example, the legal landscapes of various markets may necessitate a nuanced marketing approach that considers the fact that what is permissible under U.S. law may not be in compliance with the stricter European regulations. Globally operating organizations must exercise caution in comprehending the legal obligations of each jurisdiction in which they operate to guarantee that their marketing strategies are ethical and compliant across borders.

**Advertising and Social Ethics:** In order to be socially responsible, advertising must adhere to ethical values and principles, including the respect for veracity, the dignity of all individuals, and social responsibilities. Any individual is motivated to engage in a lawful activity within society and to ensure that its impact on society is positive rather than negative by their sense of social responsibility. For instance, the advertisement from Idea Cellular, which was championed by Bollywood actor Abhishek Bachchan and aims to establish a society free of caste discrimination, has garnered significant praise from both the advertising industry and the general public. The code of conduct known as "ethics" is the constant governing force of life, enabling individuals to establish their own principles and morals. Ethics is a moral principle, as previously stated. Therefore, what is the distinction between ethics and morals? Ethics and



morality (morals) are inextricably linked; the dictionary definitions of one will typically serve as the basis for the other. For instance, homosexuality is considered morally immoral by a significant number of individuals; however, some of the same individuals also believe that it is reprehensible to discriminate legally against a group of individuals by denying them the same rights as heterosexuals. As the world endeavors to surmount contemporary obstacles and international juncture, ethics and morality are critical concerns.

**Professional Ethics and Advertisement:** A code of standards that specifies the appropriate response to specific ethical inquiries by industry professionals is the expression of professional ethics. The Advertising Standard Council of India (ASCI), a self-regulatory organization for advertising established in 1985 ([www.ascionline.org](http://www.ascionline.org)), is dedicated to the promotion of equitable competition and honest advertising within the confines of commonly accepted public modesty standards. The propagation of products or services through the use of unreasonable methods is hazardous and detrimental to society, particularly to the younger generation. It is also anticipated that all entities associated with advertising, including advertisers, media, and advertising agencies, will adhere to it. Based on an internal moral periphery that discerns whether an action is morally correct or immoral, decisions are to be made. This moral periphery serves to convey when an advertising message is deceptive or manipulative. Subsequently, it is incumbent upon the advertiser or advertising professional to employ moral reasoning and personal judgment in rejecting such concepts.

### **Legal Issues in E-Marketing**

The proliferation of online collaboration has brought with it a host of real concerns, such as those pertaining to patents, copyrights, trademarks, security, and so on. The global nature of the Internet presents significant challenges for powers attempting to enforce their laws via conventional means or to expand legitimate authority over global networks.

Internet fraud, namely e-business deception, emerged with the rapid proliferation of websites. For brick-and-mortar stores as well as online marketplaces, it is a pressing concern. The stock market is a dynamic

environment where con artists operate. The stock promoters lure the small-scale investors with the promise of misleading advantages. Both sellers and buyers are able to extort more easily in barter systems. Criminals with deep pockets may now reach a wide audience thanks to the prevalence of text messaging and online ads. Possible extortion hotspots include phantom business prospects and fake speculations. Trade Secrets A man or group responsible for maintaining the company website is entrusted with a great deal of responsibility and trust when it comes to managing morality in a business-to-business (B2B) corporation and its B2C clients. Verifying the veracity of written content, visual media, audio recordings, and other depictions of a company is crucial from the perspectives of ethically minded e-business as well as genuine business-to-business and business-to-consumer transactions. Legal and ethical concerns, such as those around truth in advertising and marketing ethics, may quickly arise and be devastating to a company's reputation. The importance of having a thorough understanding of a company for online advertising and marketing objectives cannot be overstated. It is crucial to be aware of possible pitfalls that might lead to the discovery of licensed innovations and competitive advantages via online data and publications. Anything shared online is likely to become public knowledge very quickly. Therefore, by yourself, provide careful consideration before pressing the distribute button. Copyright rules prevent unrestricted use of intellectual property in all its forms. Protection of intellectual property in online transactions is notoriously challenging. To illustrate the point, when you buy software, you only get the right to use it, not distribute it. Whoever owns the copyright also owns the distribution rights. Copyright infringement also occurs when content from the site is copied. Letters Written by Email Until explicit permission is granted to share anything online, email contact should remain private and confidential. It is always wise to seek a man's consent before publishing something on the web, even if some individuals won't notice any harm referencing anything from an email they received and circulated. Unexpected problems might arise, or they can impact a man's reputation directly or indirectly via comments or text that is scraped from online search results and then copied by others. So, it's wise to give some thought to the quotation request before asking for the person's endorsement. Along those lines,



think about using simply the first name and surname name, or perhaps their initials. Therefore, their identity is not immediately associated with an online comment.

## **Consumer-Brand Relationship Quality, Perceived Product Quality, and Brand Loyalty**

The quality of the consumer-brand connection is an all-encompassing notion that represents the strength, breadth, depth, and impact of the bond between the two parties. Brand impact, identity, close connections, trust, dependency, happiness, and commitment are all qualities of consumer-brand partnerships.

Typical theories of this kind of interaction have proposed a trinity of shared aspects, including cognitive, emotional, and conative domains. Relationship building and maintenance between brands and customers entail several steps. Factors such as brand devotion, cognitive beliefs, emotional experiences, and actions all play a role in shaping the quality of the consumer-brand relationship. Unlike in a personal relationship, a consumer's one-sided emotional investment in a brand is more akin to a fan's devotion to a favorite athlete or musician. Consideration of elements specific to the quality of the consumer-brand connection is essential for enhancing the consumer-brand relationship and reinforcing the moral component and ethical interactions between a business and its consumers. The quality of a consumer-brand connection is an association that develops when brands and consumers, as equals, engage in marketplace activities and make contributions to one another.

Different academic disciplines have proposed different definitions of perceived product quality. Customers' impressions of a product's general quality or excellence have long been considered an important factor in the product's perceived quality, which is a subset of perceived product quality. Quality as perceived, quality as dependent on the product, and quality as produced are all distinct from one another. A consumer's impression of a product's overall qualities—its performance, features, dependability, compliance, devoted design, durability, serviceability, and aesthetics—is what constitutes its perceived product quality, according to an argumentative viewpoint.

Loyalty is defined differently depending on the context since the phrase is used in different ways in different contexts. In their analyses of loyalty, recent studies have used many measures, including behavioral, attitudinal, and cognitive components, as determined by the specific study. Looking at consumer actions through the lens of their consequences is the only way to ascertain loyalty from a behavioral viewpoint. "The likelihood of a customer repurchasing a certain product or service or recommending it to others; it is argued that customer loyalty results in continuous purchase behavior" is the definition of brand loyalty. According to some academics, brand loyalty is "a deeply held dispositional commitment that induces users to resist situational influences and marketing efforts that might have the potential to cause brand-switching behavior." Affective loyalty and action loyalty are two types of brand loyalty. Affective loyalty is the gold standard for gauging customer devotion to a business. When consumers have a strong emotional connection to a brand but have not yet made a purchase, this is called affective loyalty. Oliver stressed that brand loyalty is seen as essential to achieving maximum and sustained company profitability in the long run. "Action loyalty" is shown by the actual purchasing behavior of customers towards a particular brand. One of the most important instruments for a company's survival and success is brand loyalty. Achieving client loyalty has emerged as a key objective in marketing, providing a foundation for developing a competitive advantage.

## **Conclusion**

When thinking about the real-world consequences, managers should think about how ethical marketing practices may help their companies succeed in the long run by fostering customer relationships and encouraging brand loyalty. Product quality, safety, warranties, and environmental friendliness should be top priorities for businesses. In addition, businesses must

pricing controls significantly in fostering long-term brand loyalty. Companies may strengthen their relationship with clients by offering an appropriate pricing and attracting more customers. Products with more reasonable pricing points are likely to be in demand. The dangers of being a trustworthy brand become apparent when a provider disregards the needs of



consumers who have reasonable, cost-conscious ethics. Ethics in advertising also play a critical part in ensuring the long-term viability of products that offer value. So, in order to strengthen their relationships with clients, businesses should assess the ethics of promotion in order to make the most of trust-based activities. The main point is that businesses can stay afloat in the face of intense competition in the market if they prioritize trust-based transactions and foster an ethical culture. This will enhance the bond between the company and its customers.

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